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SUBJECT: MARCH 2009 INFORMAL CONSULTATIONS ON THE
ACCESSION OF RUSSIA TO THE WORLD TRADE ORGANIZATION

Meetings on Russian WTO Accession

11. Summary and next steps: On March 27, the Chairman of the WTO Working Party (WP) on the Accession of the Russian Federation (Russia) to the WTO convened an informal consultative meeting to discuss status of work and next steps in the Russian WTO accession process. WTO members also held plurilateral meetings on Sanitary and Phytosanitary Measures (SPS) and on the tariff rate quotas (TRQs) applied to Russian beef, pork and poultry imports. The U.S. delegation met bilaterally with the Russian delegation on SPS and Agriculture issues. These were procedural meetings and, kept the process moving, but at a slow pace. Comments on the SPS text reviewed plurilaterally are due by April 27. The Chairman indicated he would consult with delegations to find a date for a next Chairman's meeting to review the substance of Russia's submissions (current planning is directed to the week of May 25) and to find a date for an Agricultural Plurilateral to review Russia's revised tables on Agricultural Support, a compendium of data on such support, and depending on the outcome of his consultations, the revised draft WP text on agriculture. Russia indicated it expects to meet again with interested delegations on the TRQ issue within about a month and will provide proposals at that time. . End Summary and next steps.

Chairman's Consultation

12. After the Chairman's introductory review, Russia's chief negotiator, Maxim Medvedkov, was invited to give a report on Russia's legislative progress. He provided a short update on the status of amendments to the following: part IV of the Civil Code (intellectual property rights-IPR), the Law on Medicines (protection of undisclosed data), the Customs Code (to grant ex officio authority related to IPR enforcement), the law on activity licensing, the law on Technical Regulation (status of international agreements), and the adoption of a Government Resolution on imports of goods with encryption. This list omitted additional legislation needed to implement WTO provisions related, inter alia, to TBT, Customs Valuation, and SPS. The Chairman repeated his request that Russia produce a status chart on legislative work towards implementation of WTO provisions. (Note: An applicant country routinely submits a chart and legislative action plan during the late stages of accession negotiations. End note). Russia objected to this request, claiming it was duplicative and too much work. The U.S. del supported the Chairman's request and subsequently the

Chairman commissioned the Secretariat to initiate work on the chart and action plan for adoption of legislation. U.S. and other WTO members will need to continue to insist that Russia follow standard practice and adopt legislation prior to approval of the accession package to ensure Russia will meet its commitments to comply with WTO obligations from the date of accession.

13. Medvedkov reported that all of Russia's negotiations on market access for tariffs and services were now completed (with three specific areas excepted, as noted below) and that his delegation was assisting the Secretariat in pulling together the draft consolidated tariff schedule from Russia's many bilateral agreements. He stated that the work should be completed within six weeks. The three outstanding areas where work continued with delegations and for which there would be no entry in the consolidated schedule were sugar; high quality beef (HQB definition); and meat and poultry TRQs that were expiring at the end of 2009 and would have to be renegotiated. Georgia immediately objected to Russia's statement on having completed its market access negotiations, stating that it had not yet signed a bilateral agreement with Russia. Turkey intervened twice during the meeting to note that its goods (fruits and vegetables) were being subject to 100 percent inspection upon entering Russia, inconsistent with WTO norms (Customs Valuation, PSI and SPS). While Turkey and Russia have a bilateral agreement on these issues, Turkey maintains Russia was not observing its terms.

14. Secretariat work on compiling the consolidated goods schedule (a daunting task involving over 60 separate agreements, errors in the electronic files, and multiple nomenclatures to harmonize into HS2007) has taken some time. It had been reported that a new Secretariat team has taken over, and the Russians and others had expressed concern that this might further delay the work. Recognizing that this could undermine efforts to move the negotiations forward and after additional consultations, the Secretariat reportedly has returned the previous staff to the task. The Russian del. also indicated that they were working with interested delegations to resolve the remaining issues in the services schedule, and should have a resolution "in a few days." (Comment: It is good news that work on the goods schedule is back on track. But while none of the issues with the goods and services schedules cannot be resolved, it is unlikely that the problems that have delayed circulation of these draft consolidated schedules to date will come to closure "in a few days." End Comment).

15. The Chairman's informal consultations did not engage in a substantive review of the texts contained in JOB(09)14). Medvedkov introduced the changes and characterized the "majority" of the changes that Russia had made in the text of JOB(08)36/Rev.1 since the discussions in November as "technical issues and clarifications." The United States, Saudi Arabia, and Norway noted however that Russia had not been comprehensive in addressing issues that they had raised, and not all of their concerns were dealt with in the revised material in JOB(09)14. All indicated that they would provide additional comments, and the Chairman encouraged other delegations to do the same. (Note: In later bilateral discussions, the Saudi Geneva representative confirmed that they were still working with Russia on those comments, but that they would table additional text unless their issues were resolved within a couple of months. He also noted that their issue of most concern, state owned and controlled firms, was not under discussion with Russia because it was one of the three "missing" sections of the report and there was no text to review. End Note) Medvedkov also reported that discussions after the meetings in November had produced additional compromise language in some paragraphs and these texts were also in JOB(09)14. (Comment: The results of drafting efforts of the U.S., Russia and EU in December. End comment). Finally, there was a revised text on agriculture, one of the three missing sections. Russia had expected to review this text, along with new data on agricultural supports, in a plurilateral meeting in these days, but had canceled these plans when a new Agricultural Minister was announced. When consultations with the new Minister were completed, new dates would be found. The US suggested that the draft WP report text on agriculture could be reviewed with other WP texts, rather than plurilaterally. Russia and the Chair agreed, but Canada indicated that it needed to consult with capital on this and the EU indicated that it would support either approach. The Chairman indicated that he would consult further.

Plurilateral Meetings on TRQs and SPS

¶16. WP members also participated in plurilateral meetings on two key issues: (1) Russia's plans for establishing bindings for meat products currently covered by bilaterally negotiated TRQs; and (2) the revised WP text on SPS measures. The meeting on TRQs was attended by the United States, EU, Argentina, Brazil, Colombia, Paraguay, Korea, Japan, Thailand, Vietnam, China, New Zealand, and Australia. Noting there appeared to be two broad approaches, continuation of TRQs or tariff-only treatment, the Russian representative walked through several sections of the November 5, 2008, document on Section 1-B including TRQs: product coverage, TRQ allocation, and administration methods. Russia indicated at this time it was prepared to continue TRQs on all three products, taking into account the existing exception on high quality beef. Medvedkov emphasized that new bindings for the tariff lines covered would be established through bilateral negotiations, effective January 1, 2010. He also reviewed the proposal Russia had tabled in the previous meeting on this issue in November 2008 laying out TRQ-based or tariff-only options for the replaced bindings. He noted that the ultimate decision on whether to adopt TRQs or a

tariff only approach rested with Russia.

¶17. Only Argentina and Brazil explicitly spoke in favor of a tariff-only solution as the only acceptable outcome. Most others seemed willing to negotiate TRQs or supported a global TRQ. Currently the United States and the EU are allocated 70-80 percent of the in-quota quantities for poultry, pork, and beef. The U.S. del noted that proposals circulated in November are not consistent with our WTO bilateral market access agreement. In addition, to evaluate Russia's proposal to move material to the draft WP report, we will need to see specific texts, and these will need to be commitments. We noted our preference for TRQs and specific country allocations. The U.S. also noted, that on the issue of a definition of high quality beef (HQB), the "menu approach" proposed by Russia, allowing for multiple definitions of high-quality beef, may not meet the scope of product coverage granted in the concession in bilateral market access agreement. Russia drew few conclusions from the meeting but noted that it would call another in a month and would present specific proposals at that time.

¶18. The SPS Plurilateral meeting reviewed the revised SPS WP report text in light of some new materials developed by Russia and the EU and the US in trilateral discussions in December. In a paragraph by paragraph review, there were few comments on the material. Four delegations (US, EU, Canada, and Australia) pressed Russia to confirm that it would have fully implemented a WTO-consistent SPS regime prior to accession. The Russian del had circulated a brief summary paper outlining a proposed process to harmonize its SPS measures with international standards. Delegations asked questions on the procedure described in the summary. Canada and others asked about the timing for initiating this process. Dr. Rozhdestvenskiy noted that Russia has an ongoing program of harmonization pursuant to Order 159 and that the timing of the new measures was uncertain. While the new measure would be in place as of accession, the process of harmonization would continue after accession. In response to a question from the U.S. del., Rozhdestvenskiy informed Members that the Administrative Regulation on Issuing Permits to Import and Export Animals and Products of Animal Origin, Feed and Feed Additives, and Products Subject to Quarantine (9 January 2008) was being revised and invited comments from dels. He expects that the amendments will be completed in 4-6 weeks. The United States will be providing suggested revisions to the regulation.

Bilateral Meetings

¶19. In a bilateral meeting on SPS held before the plurilateral and Chairman's informal meeting, the Russian del explained that it had circulated the summary paper. U.S. del questioned the process that would be used for Russia to harmonize its measures and the timing for adoption of the Government Resolution that would establish the process. Russia did not provide a clear answer on when the Government Resolution would be adopted, implying that it could be done as part of Russia's approval of the terms of accession, i.e., after completion of the negotiations. The U.S. del. also had a

brief bilateral meeting to discuss next steps on the draft agriculture text for the WP report. The Russian side indicated that it had received a few technical comments on its draft text and on the compendium of domestic agricultural support programs and would submit a slightly revised version shortly.

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